



PRESS RELEASE

Front Street Performance Fund II closes \$97,000,000 million Offering

– Begins trading on the Toronto Stock Exchange –

TORONTO, Ontario ... (October 15, 2004) ... Front Street Performance Fund II (TSX: FPF.UN) is pleased to announce the closing today of its initial public offering of 9,700,000 units for gross proceeds of \$97,000,000. The offering was co-led by National Bank Financial Inc. and CIBC World Markets Inc.

The other members of the syndicate are BMO Nesbitt Burns Inc., RBC Capital Markets, TD Securities Inc., HSBC Securities (Canada) Inc., Canaccord Capital Corporation, Dundee Securities Corporation, First Associates Investments Inc., Raymond James Ltd., Berkshire Securities Inc., GMP Securities Ltd., Tuscarora Capital Inc. and Wellington West Capital Inc.

The Fund's investment objective is to provide holders of units with long-term capital growth through the selection, management and strategic trading of long and short positions in equity, debt and derivative securities. The Fund's portfolio will include securities which the Fund's investment advisor believes are undervalued and may include short positions in securities which the investment advisor believes are overvalued.

The investment advisor will manage the relative weightings of the Fund's long and short positions to achieve the Fund's investment objective. The Fund will also engage in pairs trading, special warrant arbitrage, merger arbitrage, convertible arbitrage and trading in securities of issuers that may be involved in restructurings or business unit dispositions.

Front Street Performance Fund II is managed by Front Street Capital 2004 and advised by Front Street Investment Management Inc. The units of the fund are listed on the Toronto Stock Exchange under the symbol FPF.UN.

- 30 -

For more information, interviews or other media-related requests:

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